XEMLI

U.K. SOFTWARE AND SERVICES MANPOWER PRICING 1991

ONLY COPY IN U.S. IS IN CA LIBRARY

~~MEGO-1~~

Keith Hocking
Managing Director

INPUT—Europe

3/13/91

© 1991 by INPUT. Reproduction Prohibited.

Changing Markets in Customer Services

INPUT
YEUNI- 1

Notes

3/13/91

© 1991 by INPUT. Reproduction Prohibited.

Customer Service Market

- Hardware maintenance
- Systems software support
- Professional services
- Training and education

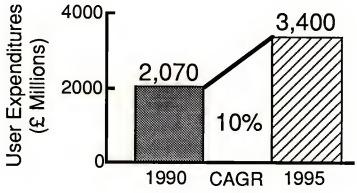
INPUT
YEUNI- 2

Notes

3/13/91

© 1991 by INPUT. Reproduction Prohibited.

U.K. Customer Services Market Growth, 1990-1995



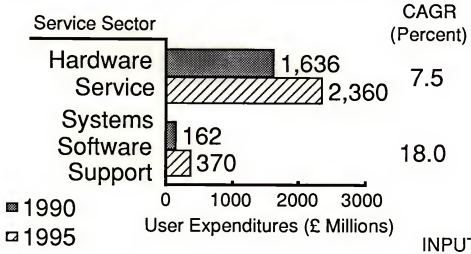
INPUT
YEUNI- 3

Notes

3/13/91

© 1991 by INPUT. Reproduction Prohibited.

Customer Services Market—U.K., 1990-1995

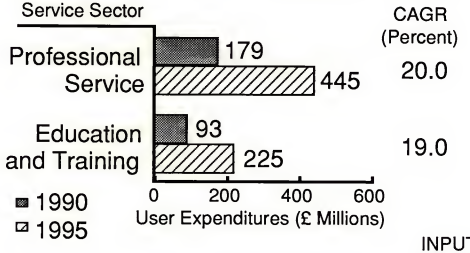


Notes

3/13/91

© 1991 by INPUT. Reproduction Prohibited.

Customer Services Market—U.K., 1990-1995



INPUT
YEUNI- 5

Notes

3/13/91

© 1991 by INPUT. Reproduction Prohibited.

Network Services

- Confused/badly defined market
- At least one-third of users do not have formal service contract
- Major user need is for uptime and access

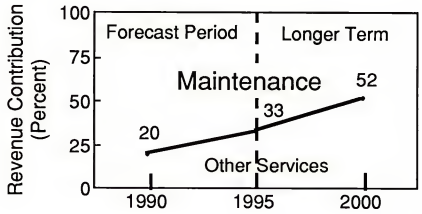
INPUT
YEUNI- 6

Notes

3/13/91

© 1991 by INPUT. Reproduction Prohibited.

Customer Services Changing Emphasis



INPUT
YEUNI- 7

Notes

3/13/91

© 1991 by INPUT. Reproduction Prohibited.

Top Companies—U.K. in Customer Services

Company	Service Revenues £ Millions
IBM	296
Digital	270
ICL	226
Unisys	139

INPUT
YEUNI- 8

Notes

3/13/91

© 1991 by INPUT. Reproduction Prohibited.

Top Companies—U.K. in Customer Services

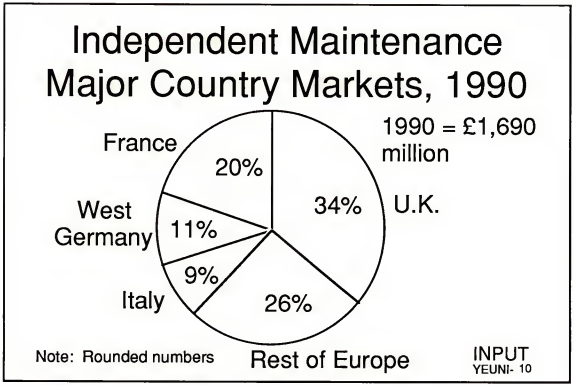
Company	Service Revenues £ Millions
Wang	134
Granada	110
Hewlett-Packard	96

INPUT
YEUNI- 9

Notes

3/13/91

© 1991 by INPUT. Reproduction Prohibited.

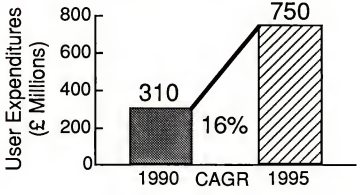


Notes

3/13/91

© 1991 by INPUT. Reproduction Prohibited.

Independent Maintenance Market U.K.—Growth 1990-1995

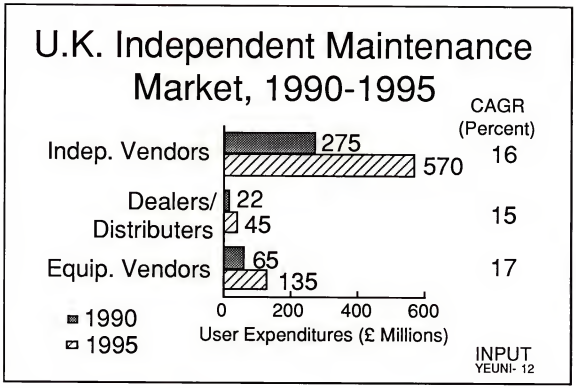


INPUT
YEUNI- 11

Notes

3/13/91

© 1991 by INPUT. Reproduction Prohibited.



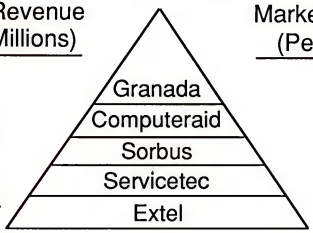
Notes

3/13/91

© 1991 by INPUT. Reproduction Prohibited.

Leading Independent Service Vendors in the U.K.

Vendors Revenue 1989 (£ Millions)		Market Share (Percent)
110.0	Granada	35.0
14.0	Computeraid	5.0
13.5	Sorbus	4.5
13.0	Servicetec	4.0
13.0	Extel	4.0
103.5		52.5



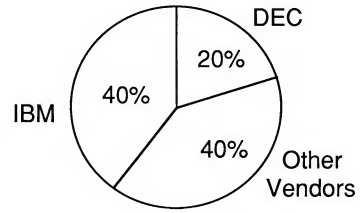
INPUT
YEUNI-13

Notes

3/13/91

© 1991 by INPUT. Reproduction Prohibited.

Independent Maintenance Vendors—Revenue Source



INPUT
YEUNI- 14

Notes

3/13/91

© 1991 by INPUT. Reproduction Prohibited.

Reasons for Success of Independent Maintenance as Seen by Vendors

- More flexible
- Single-source service
- Lower cost

INPUT
YEUNI-15

Notes

3/13/91

© 1991 by INPUT. Reproduction Prohibited.

User's Reasons for Choosing Independent Maintenance

- Cost
- Local service
- Higher quality

INPUT
YEUNI-16

Notes

3/13/91

© 1991 by INPUT. Reproduction Prohibited.

Independent Vendor Weaknesses

1. Software support credibility
2. Overexposure risk
3. Risk of losing user friendliness

Notes

© 1991 by INPUT. Reproduction Prohibited.

Potential Crisis for Independent Vendors

- Rapid decline in maintenance revenues
- Independent maintenance → Independent service
- Adaptation key to survival

INPUT
YEUNI-18

Notes

3/13/91

© 1991 by INPUT. Reproduction Prohibited.

Equipment Manufacturers' Advantages

- Size
- Established skills
- Financial resources
- Reputation

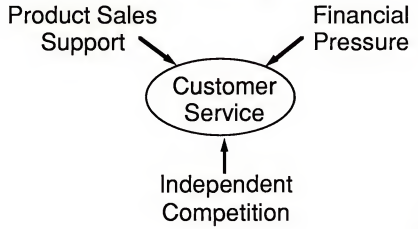
INPUT
YEUNI-19

Notes

3/13/91

© 1991 by INPUT. Reproduction Prohibited.

The Customer Service Challenge

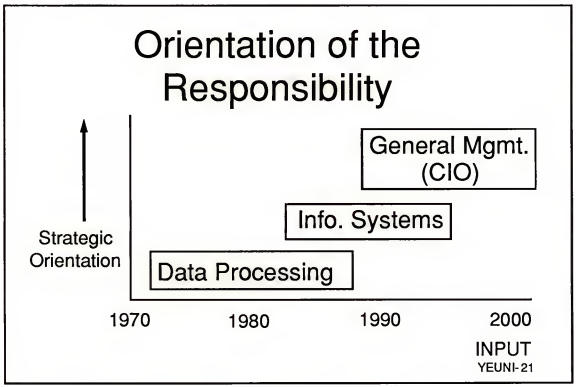


INPUT
YEUNI-20

Notes

3/13/91

© 1991 by INPUT. Reproduction Prohibited.

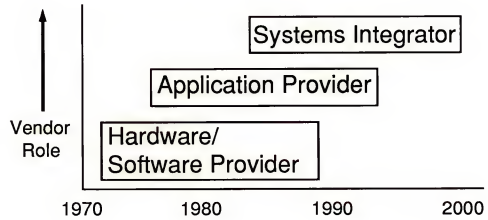


Notes

3/13/91

© 1991 by INPUT. Reproduction Prohibited.

Role of the IS Vendor



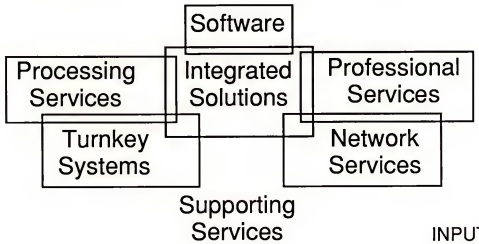
INPUT
YEUNI-22

Notes

3/13/91

© 1991 by INPUT. Reproduction Prohibited.

IS Market Structure—1990s
Emphasis on Supporting Services

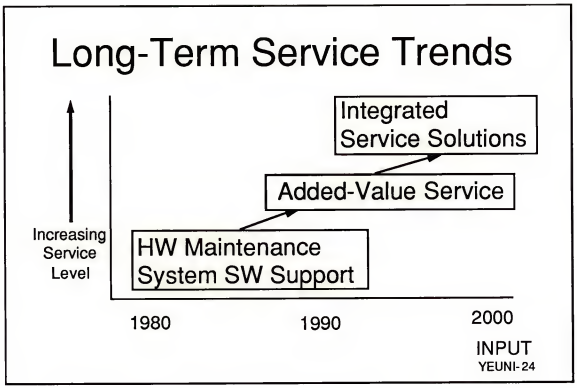


INPUT
YEUNI-23

Notes

3/13/91

© 1991 by INPUT. Reproduction Prohibited.



Notes

3/13/91

© 1991 by INPUT. Reproduction Prohibited.

Fundamental Driving Forces—Key Business Trends

- Shorter product life cycles
- More customisation/specialisation
- Narrower market segments
- Higher impact of technology
- More competition

INPUT
YEUNI-25

Notes

3/13/91

© 1991 by INPUT. Reproduction Prohibited.

Key Trends for the 1990s

- Product and service markets blurring
- Changing market structure
- Internationalisation

INPUT
YEUNI-26

Notes

3/13/91

© 1991 by INPUT. Reproduction Prohibited.

Information Systems—Major Issues

- Rising management expectations
- User demands for increasingly complex solutions
- Managing the technology investment

INPUT
YEUNI-27

Notes

3/13/91

© 1991 by INPUT. Reproduction Prohibited.

Information Systems—Major Issues

- Integration of data/technology/applications
- Delivery of 'mission critical' systems

INPUT
YEUNI-28

Notes

3/13/91

© 1991 by INPUT. Reproduction Prohibited.

Quality/Price Conflict

User

- Quality more important than price
- 70% consider that service has good price/performance

INPUT
YEUNI- 29

Notes

3/13/91

© 1991 by INPUT. Reproduction Prohibited.

Quality Is Key

- Quality is more important than price
- Quality is a key competitive strategy

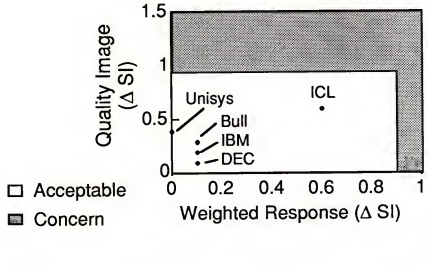
INPUT
YEUNI-30

Notes

3/13/91

© 1991 by INPUT. Reproduction Prohibited.

U.K. Hardware Service Satisfaction



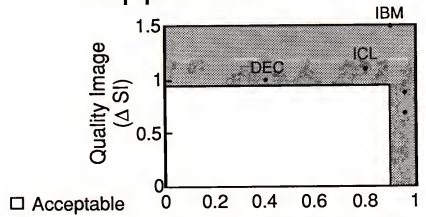
INPUT
YEUNI- 31

Notes

3/13/91

© 1991 by INPUT. Reproduction Prohibited.

U.K. Systems Software Support Satisfaction



INPUT
YEUNI- 32

Notes

3/13/91

© 1991 by INPUT. Reproduction Prohibited.

Supporting Services—The Opportunity

- Redefinition
- Value-added services

INPUT
YEUNI-33

Notes

© 1991 by INPUT. Reproduction Prohibited.

£ 3.4 Billion Customer Services Market in U.K. in 1995

INPUT
YEUNI- 34

Notes

3/13/91

© 1991 by INPUT. Reproduction Prohibited.

INPUT®
Piccadilly House, 33/37 Regent Street, London SW1Y 4NF Tel. (44) (071) 493-9335
Fax (44) (071) 629-0179

FAX TRANSMITTAL FORM

DESTINATION: MV

FAX NUMBER: _____

ATTENTION: ANDREA JAMES

NUMBER OF PAGES: 1 of 2

CONFIDENTIAL CORRESPONDENCE: Yes _____ No ✓

URGENT: Yes ✓ No _____

Andrea,

DESCRIPTION:

re YE-UNI

- Andrea – sorry some late changes after discussion with the client.
- please call if not clear.

Thanks.

Keith

****

FROM: KEITH HOLMING

DATE: 25/3/91

INPUT: _____

Project Charge Code: _____

NEW SLIDE

① KEITH HOCKING
Managing Director
INPUT EUROPE

② YE-UNI 5 Costing Services Market 1990-1995

CHANGE "Value ~~Added~~ Service" → 179 user

to "Professional Services"

③ YE-UNI 8 TOP COMPANIES UK IN CUSTOMER SERVICES

Company	£
IBM	296
Digital	270
ICL	226
UNISYS	139

← add - delete WANG UNISYS

YE-UNI 9 new reals

WANG · 134

DHL slides today

Changing Markets in Customer Services

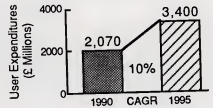
INPUT
YEUNI- 1

Customer Service Market

- Hardware maintenance
- Systems software support
- Professional services
- Training and education

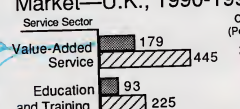
INPUT
YEUNI- 2

U.K. Customer Services Market Growth, 1990-1995



INPUT
YEUNI- 3

Customer Services Market—U.K., 1990-1995



2360?
~~2364~~?

INPUT
YEUNI- 4

Customer Services Market—U.K., 1990-1995

INPUT
YEUNI- 5

Network Services

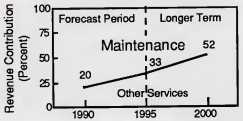
- Confused/badly defined market
- At least one-third of users do not have formal service contract
- Major user need is for uptime and access

INPUT
YEUNI- 6

3/14/91

Professional Services

Customer Services Changing Emphasis



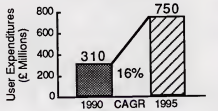
INPUT
YEUNI- 7

Top Companies—U.K. in Customer Services

Company	Service Revenues £ Millions
Granada	110
Hewlett-Packard	96
Unisys	92

INPUT
YEUNI- 9

Independent Maintenance Market U.K.—Growth 1990-1995



INPUT
YEUNI- 11

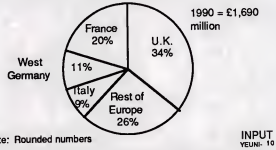
3/14/91

Top Companies—U.K. in Customer Services

Company	Service Revenues £ Millions
IBM	296
Digital	270
ICL	226
Wang	134

INPUT
YEUNI- 8

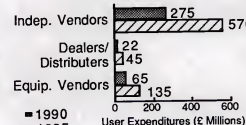
Independent Maintenance Major Country Markets, 1990



Note: Rounded numbers

INPUT
YEUNI- 10

U.K. Independent Maintenance Market, 1990-1995



INPUT
YEUNI- 12

INPUT
Piccadilly House, 33/37 Regent Street, London SW1Y 4NF Tel. (44) (071) 493-9335
Fax (44) (071) 629-0179

FAX TRANSMITTAL FORM

DESTINATION: GRAPHICS MV

FAX NUMBER:

ATTENTION: ANDREA JARIS

NUMBER OF PAGES: 1 of 1

CONFIDENTIAL CORRESPONDENCE: Yes ____ No ✓

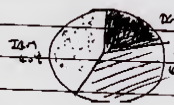
URGENT: Yes ✓ No ____

DESCRIPTION: Andrew

re 7 SLIDES YE UNT

(1) "SERVICETEC" IS CORRECT NOT "SERVICETEC(A)" -delete 'A' ON "LOADING INDEPENDENT SERVICE VENDORS IN UK SLIDE"

(2) INDEPENDENT MAINTENANCE VENDORS AROUND SOUND" SLIDE



I filled the original slide with ● ☺ and ▨ but leave it to you !

(3) SEND SLIDES ASAP + 2 COPIES HARD COPY.

****

FROM: KEITH HOCKING

DATE: 21/3/91

INPUT:

Project Charge Code:

INPUT®
Piccadilly House, 33/37 Regent Street, London SW1Y 4NF Tel. (44) (071) 493-9335
Fax (44) (071) 629-0179

FAX TRANSMITTAL FORM

DESTINATION: MV

FAX NUMBER:

ATTENTION: ANDREA JARIS

NUMBER OF PAGES: 1 of 3

CONFIDENTIAL CORRESPONDENCE: Yes ____ No ✓

URGENT: Yes ✓ No ____

Andrea

DESCRIPTION: YEUNI

• SLIDES FAXED OK !

• DID NOT RECEIVE COPIES IN DRAFT OF FOLLOWING 7 SLIDES

• CAN YOU FAX FINAL DRAFT THESE 7 FOR SHOOTING THEN CAN MAKE

MANY THANKS KEITH

****

FROM: KEITH HOCKING

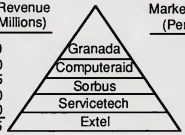
DATE: 21/3/91

INPUT:

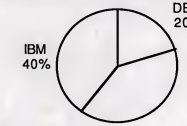
Project Charge Code:

Leading Independent Service Vendors in the U.K.

Vendors Revenue 1989 (£ Millions)		Market Share (Percent)
110.0	Granada	35.0
14.0	Computeraid	5.0
13.5	Sorbus	4.5
13.0	Servicetech	4.0
13.0	Extel	4.0
103.5		52.5



Independent Maintenance Vendors—Revenue Source



Reasons for Success of Independent Maintenance as Seen by Vendors

- More flexible
- Single-source service
- Lower cost

User's Reasons for Choosing Independent Maintenance

- Cost
- Local service
- Higher quality

Independent Vendor Weaknesses

1. Software support credibility
2. Overexposure risk
3. Risk of losing user friendliness

Potential Crisis for Independent Vendors

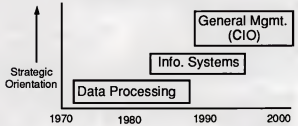
- Rapid decline in maintenance revenues
- Independent maintenance → Independent service
- Adaptation key to survival

Equipment Manufacturers' Advantages

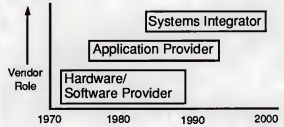
- Size
- Established skills
- Financial resources
- Reputation

The Customer Service Challenge

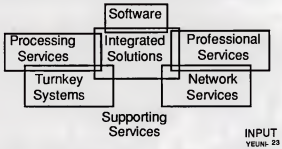
Orientation of the Responsibility



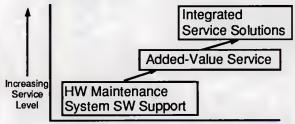
Role of the IS Vendor



IS Market Structure—1990s Emphasis on Supporting Services



Long-Term Service Trends



Fundamental Driving Forces—Key Business Trends

- Shorter product life cycles
- More customisation/specialisation
- Narrower market segments
- Higher impact of technology
- More competition

Key Trends for the 1990s

- Product and service markets blurring
- Changing market structure
- Internationalisation

Information Systems—Major Issues

- Rising management expectations
- User demands for increasingly complex solutions
- Managing the technology investment

Information Systems—Major Issues

- Integration of data/technology/applications
- Delivery of 'mission critical' systems

Quality/Price Conflict

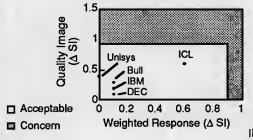
User

- Quality more important than price
- 70% consider that service has good price/performance

Quality Is Key

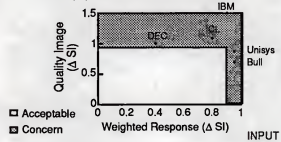
- Quality is more important than price
- Quality is a key competitive strategy

U.K. Hardware Service Satisfaction



INPUT
YEUNI- 31

U.K. Systems Software Support Satisfaction



INPUT
YEUNI- 32

Supporting Services—The Opportunity

- Redefinition
- Value-added services

INPUT
YEUNI- 33

£ 3.4 Billion Customer Services Market in U.K. in 1995

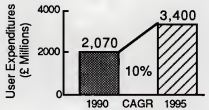
INPUT
YEUNI- 34

Changing Markets in Customer Services

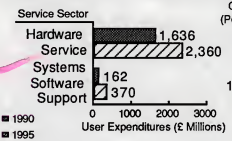
Customer Service Market

- Hardware maintenance
- Systems software support
- Professional services
- Training and education

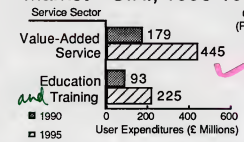
U.K. Customer Services Market Growth, 1990-1995



Customer Services Market—U.K., 1990-1995



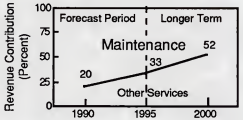
Customer Services Market—U.K., 1990-1995



Network Services

- Confused/badly defined market
- At least one-third of users do not have formal service contract
- Major user need is for uptime and access

Customer Services Changing Emphasis



INPUT
YEUN- 7

Top Companies—U.K. in Customer Services

Company	Service Revenues £ Millions
IBM	296
Digital	270
ICL	226
Wang	134

INPUT
YEUN- 8

Top Companies—U.K. in Customer Services

Company	Service Revenues £ Millions
Granada	110
Hewlett-Packard	96
Unisys	92

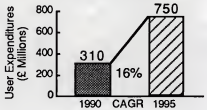
INPUT
YEUN- 9

Independent Maintenance Major Country Markets, 1990

Note: Rounded numbers

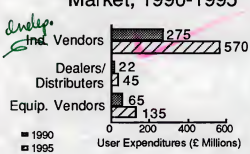
INPUT
YEUN- 10

Independent Maintenance Market U.K.—Growth 1990-1995



INPUT
YEUN- 11

U.K. Independent Maintenance Market, 1990-1995



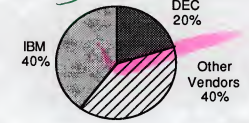
INPUT
YEUN- 12

3/14/91

Leading Independent Service Vendors in the U.K.

Vendors Revenue 1989 (£ Millions)		Market Share (Percent)
110.0	Granada	35.0
14.0	Computeraid	5.0
13.5	Sorbus	4.5
13.0	Servicetech	4.0
13.0	Extel	4.0
103.5		52.5

Independent Maintenance Vendor—Revenue Source



Reasons for Success of Independent Maintenance As Seen by Vendors

- More flexible
- Single source service
- Lower cost

Users Reasons for Choosing Independent Maintenance

- Cost
- Local service
- Higher quality

Independent Vendor Weaknesses

1. Software support credibility
2. Overexposure risk
3. Risk of losing user friendliness

Potential Crisis for Independent Vendors

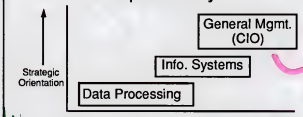
- Rapid decline in maintenance revenues
- Independent maintenance → Independent service
- Adaptation key to survival

Equipment Manufacturers' Advantages

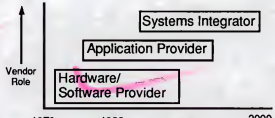
- Size
- Established skills
- Financial resources
- Reputation

The Customer Service Challenge

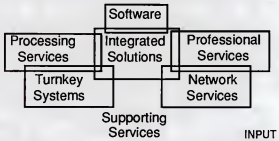
Orientation of the Responsibility



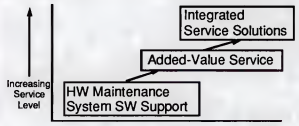
Role of the IS Vendor



IS Market Structure—1990s Emphasis on Supporting Services



Long-Term Service Trends



Fundamental Driving Forces—Key Business Trends

- Shorter product lifecycles
- More customisation/specialisation
- Narrower market segments
- Higher impact of technology
- More competition

Key Trends for the 1990s

- Product and service markets blurring
- Changing market structure
- Internationalisation

Information Systems—Major Issues

- Rising management expectations
- User demands for increasingly complex solutions
- Managing the technology investment

Information Systems—Major Issues

- Integration of data/technology/applications
- Delivery of 'mission critical' systems

Quality/Price Conflict

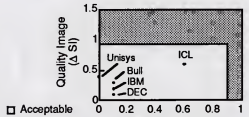
User

- Quality more important than price
- 70% consider that service has good price/performance

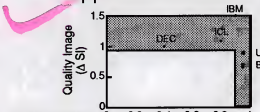
Quality Is Key

- Quality is more important than price
- Quality is a key competitive strategy

U.K. Hardware Service Satisfaction



U.K. Systems Software Support Satisfaction



Supporting Services—The Opportunity

- Redefinition
- Value-added services

£ 3.4 Billion Customer Services Market in U.K. in 1995

INPUT®
Piccadilly House, 33/37 Regent Street, London SW1Y 4NF Tel. (44) (071) 493-9335
Fax (44) (071) 629-0179

FAX TRANSMITTAL FORM

DESTINATION: MV

FAX NUMBER: _____

ATTENTION: ANDREA JERIS

NUMBER OF PAGES: 1 of 34

CONFIDENTIAL CORRESPONDENCE: Yes _____ No ✓

URGENT: Yes ✓ No _____

Andrea, YUNI

DESCRIPTION:

re SLIDE PREPARATION - ATTACHED

- need by 29TH MARCH LATEST
- Please 'fax' draft slides to I -can check
- Many thanks
- What do MV charge chart per slide for presentations. ? (to client ? internally ?)

Cheers Keith (initial 'x')

- P.S. Where we already have slides - please send only hard copy when very quick and easy to make another. (

****

FROM: KEITH HOCKING

DATE: MONDAY MARCH 11th 1991

INPUT: _____

Project Charge Code: _____

CHANGING MARKETS IN CUSTOMER SERVICES

Customer Service Market

- Hardware maintenance
- Systems software support
- Professional services
- Training and education

INPUT

Notes:

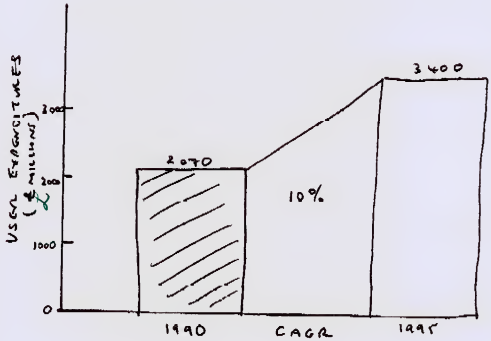
CSPA-PL1-4

© 1989 by INPUT. Reproduction prohibited.

U.K.

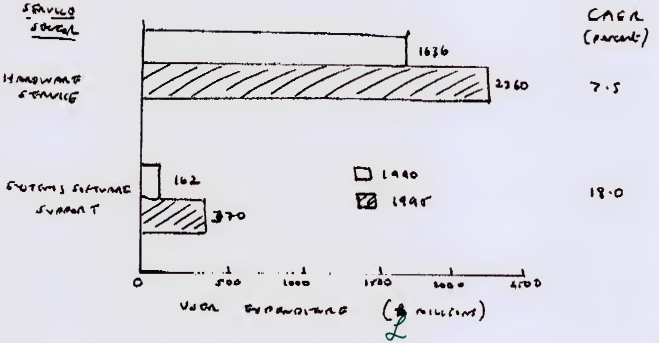
CUSTOMER SERVICES MARKET GROWTH

1990 - 1995



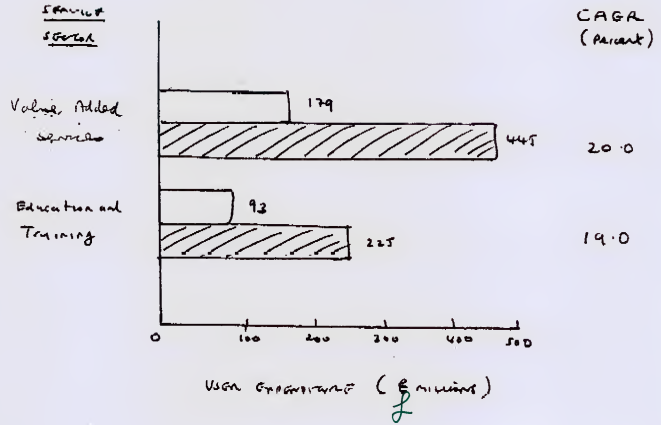
CUSTOMER SERVICES MARKET - UK

SERVICES SECTOR GROWTH 1990-95



CUSTOMER SERVICES MARKET - UK

~~SERVICE SECTOR GROWTH~~ 1990 - 95



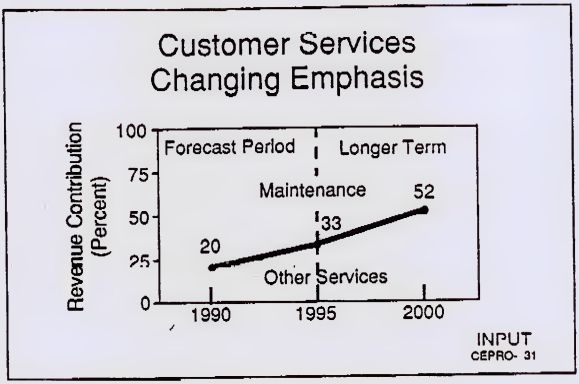
Network Services

- Confused/badly defined market
- At least one-third of users do not have formal service contract
- Major user need is for uptime and access

INPUT
CE-SIN-2

Notes

© 1990 by INPUT. Reproduction Prohibited.



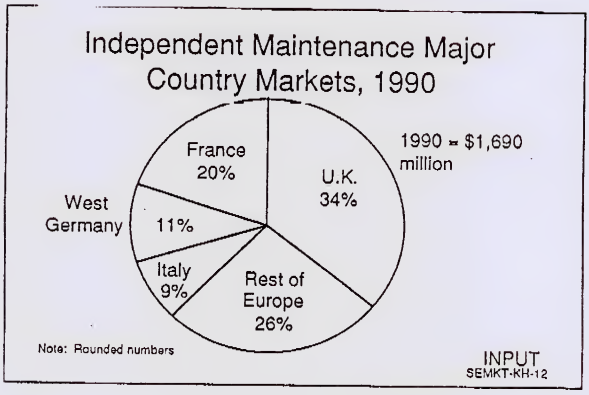
Notes

© 1990 by INPUT. Reproduction Prohibited.

TOP COMPANIES - UK - IN

[redacted] 1991
Customer Services

COMPANY	SERVICE REVENUES £ MILLIONS
IBM	296
DIGITAL	270
ICL	226
WANG	134
CRANFIELD	110
HP	96
UNISYS	92



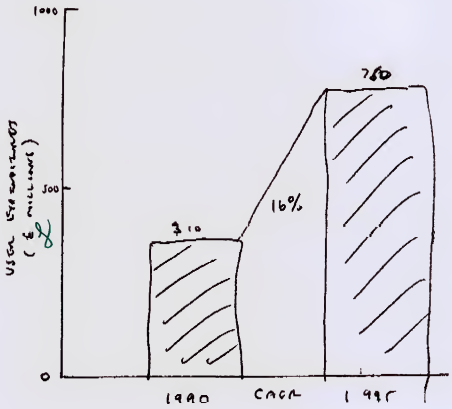
Notes

© 1990 by INPUT. Reproduction Prohibited.

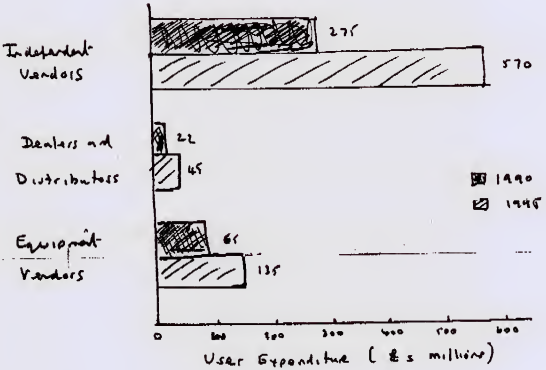
INDEPENDENT MAINTENANCE

MARKET UK - GROWTH

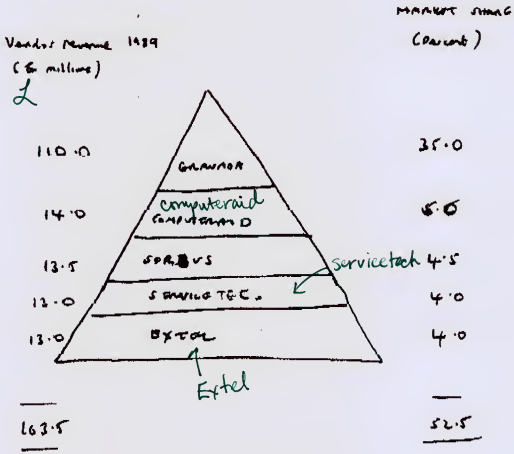
1990 - 1995



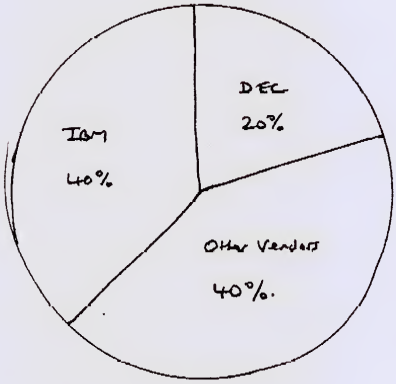
UK Independent Maintenance Market 1990 - 1995



LEADING INDEPENDENT SERVICE VENDORS IN THE UK



INDEPENDENT MAINTENANCE VENDORS — REVENUE SOURCE



REASONS FOR SUCCESS OF INDEPENDENT MAINTENANCE

AS SEEN BY VENDORS

- MORE FLEXIBLE
- SINGLE SOURCE SERVICE
- LOWER COST

USERS REASONS FOR CHOOSING INDEPENDENT MAINTENANCE

- COST
- LOCAL SERVICE
- HIGHER QUALITY

X

Independent Vendor Weaknesses

1. Software support credibility
2. Overexposure risk
3. Risk of losing user friendliness

INPUT
SEMKT-KH-28

Notes

© 1990 by INPUT. Reproduction Prohibited.

X

Potential Crisis for Independent Vendors

- Rapid decline in maintenance revenues
- Independent maintenance → Independent service
- Adaptation key to survival

INPUT
SEMKT-KH-24

Notes

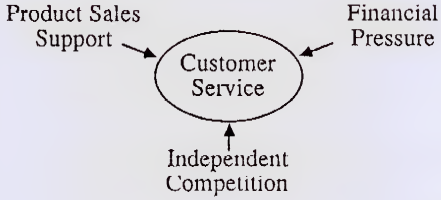
© 1990 by INPUT. Reproduction Prohibited.

EQUIPMENT MANUFACTURERS'

ADVANTAGES

- SIZE
- ESTABLISHED SKILLS
- FINANCIAL RESOURCES
- REPUTATION

The Customer Service Challenge

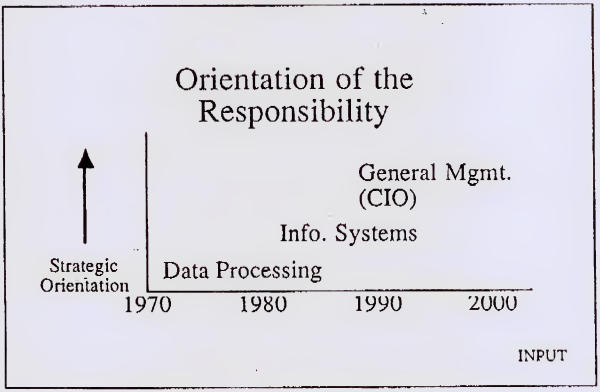


INPUT

NOTES:

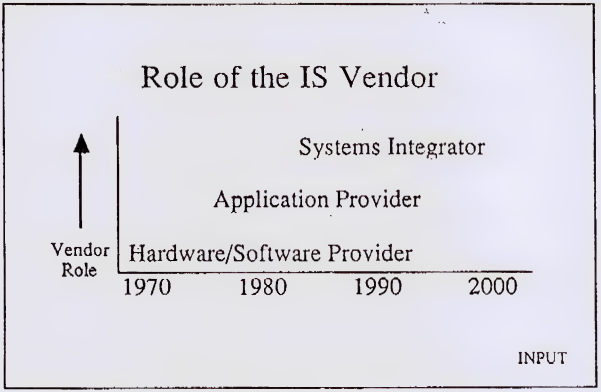
CSPA-PL1-19

© 1989 by INPUT. Reproduction Prohibited.



NOTES:

Prohibited
INPUT



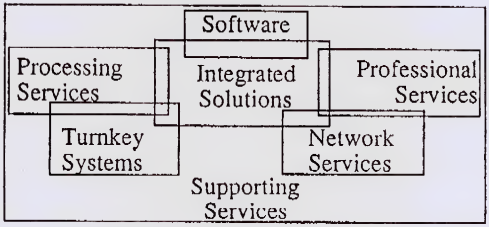
NOTES:

C3PA-PL1-30

© 1989 by INPUT. Reproduction Prohibited.

IS Market Structure—1990s

Emphasis on Supporting Services

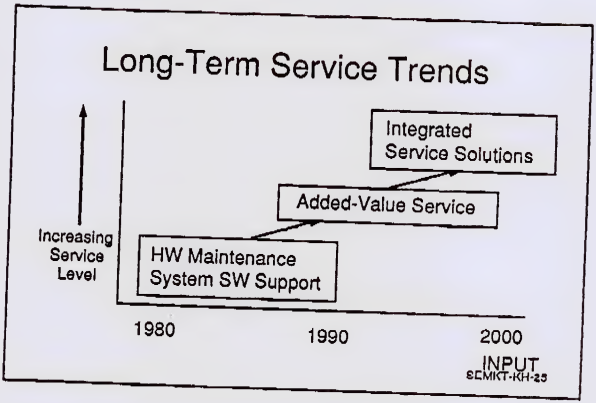


INPUT

NOTES:

CSPA-PL1-31

© 1989 by INPUT. Reproduction Prohibited.



Notes

© 1990 by INPUT Reproduction Prohibited

Fundamental Driving Forces

Key Business Trends

- Shorter product lifecycles
- More customisation/specialisation
- Narrower market segments
- Higher impact of technology
- More competition

Key Trends for the 1990s

- Product and service markets blurring
- Changing market structure
- Internationalisation

Information Systems - Major Issues

- Rising management expectations
- User demands for increasingly complex solutions
- Managing the technology investment
- Integration of data/technology/applications
- Delivery of 'mission critical' systems

Quality/Price Conflict

Users

- Quality more important than price
- 70% consider that service has good price/performance

INPUT

NOTES:

CSPA·KC·42a

27

© 1989 by INPUT. Reproduction Prohibited.

Quality Is Key

- Quality is more important than price
- Quality is a key competitive strategy

INPUT

NOTES:

CSPA-KC-49

© 1992 by INPUT. Reproduction Prohibited.

Arden
to plotting
the point
A

DATA

HW SATISFACTION

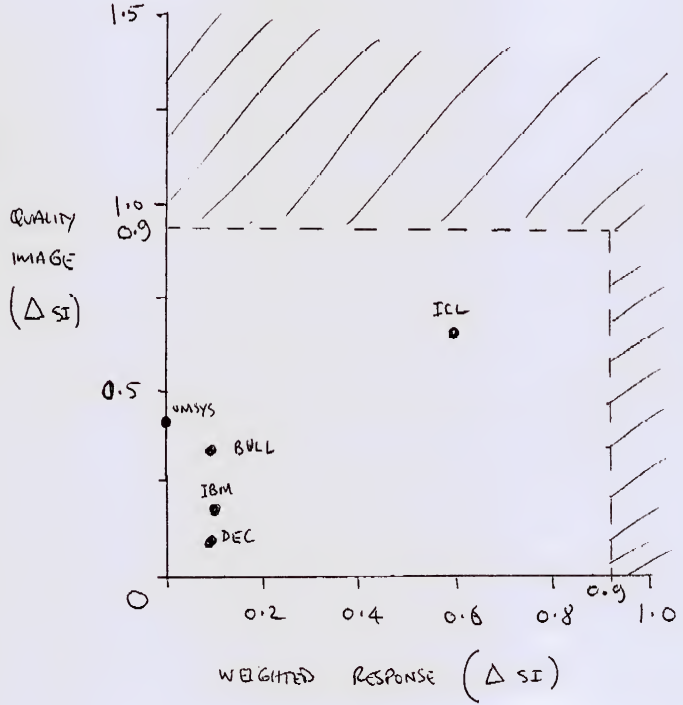
Δ SI

	WEIGHTED RESPONSE	QUALITY IMAGE
UNISYS	0.0	0.4
IBM	0.1	0.2
DEC	0.1	0.1
BULL	0.1	0.3
ICL	0.6	0.6

SW SATISFACTION

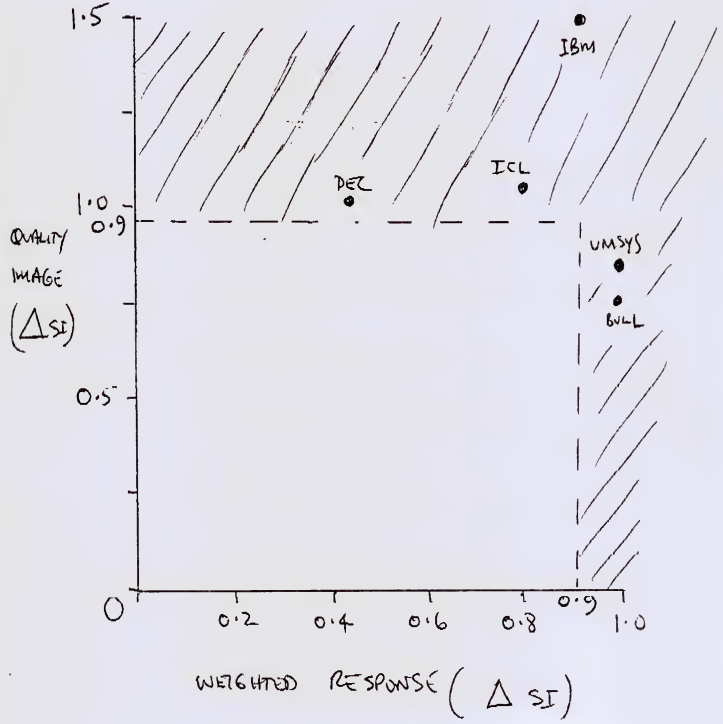
UNISYS	1.0	0.8
IBM	0.9	1.5
DEC	0.4	1.0
BULL	.0	0.8
ICL	0.8	1.1

UK
HARDWARE SERVICE SATISFACTION



29

UK
SYSTEMS SOFTWARE SUPPORT SATISFACTION



Supporting Services - The Opportunity

- Redefinition
- ~~Professional services~~ : Value Added Servics.
- ~~Independents~~

INPUT

£ 3.4 BILLION CUSTOMER

SERVICES MARKET

IN UK IN 1995